



California Public Utilities Commission

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NEWS RELEASE **DIVISION OF RATEPAYER ADVOCATES**

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The CPUC Approves a Multi-Party Settlement Agreement On Pacific Gas and Electric Company's 2007 General Rate Case

Today, the California Public Utilities Commission (CPUC or Commission) approved a settlement agreement supported by Pacific Gas and Electric Company (PG&E), the CPUC's Division of Ratepayer Advocates (DRA), and other parties establishing the utility's base electric and gas revenues for 2007 through 2010.

The CPUC authorized additional base revenues of approximately \$213 million in 2007 for PG&E's electric and gas distribution systems and its electric generation facilities. The Commission also authorized increases of \$125 million in 2008, 2009 and 2010 to cover costs associated with inflation and related expenses. PG&E will receive a one-time additional amount of \$35 million in 2009 for a planned second refueling outage at the Diablo Canyon power plant. Over the 4-year period from 2007-2010, the revenue increases will average 0.9 percent per year.

"This settlement represents a fair compromise of the case. It has a very modest impact on customer rates while providing appropriate funding for the utility's necessary infrastructure enhancements." says DRA's Director, Dana Appling.

The impact of the 2007 increase on the average electric customer with a monthly usage of 550 kWh would be a \$0.51 increase per month. However, according to PG&E, the additional base revenues will not result in an increase in retail customer electric rates this year because of offsetting revenue requirement decreases in other areas. Meanwhile, an average residential gas bill will increase by only about \$0.33 per month or 0.5%.

The settlement that serves as the basis for today's decision included nearly all of the actively involved participants in the proceeding: DRA; PG&E, the Coalition of California Utility Employees; the California Farm Bureau Federation; the Modesto, Merced, and South San Joaquin irrigation districts; the Western Manufactured Housing Communities Association; the Disability Rights Advocates; Southern California Edison; San Diego Gas and Electric; and Southern California Gas Company.

DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all public utility customers throughout the state to obtain the lowest possible rate for service consistent with reliable and safe service levels.

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